February 19, 2019

Submitted online via:
https://oehha.ca.gov/water/comments/comment-submissions-human-right-water-california

HR2W
Attn: Carolina Balazs
Office of Environmental Health Hazard Assessment
1515 Clay Street, 16th Floor
Oakland, CA 94612

Re: Comments on the *A Framework and Tool for Evaluating California's Progress in Achieving the Human Right to Water* (Jan. 2019 Draft)

Dear Ms. Balazs:

On behalf of Natural Resources Defense Council and our many members in California, please accept the following comments on the Office of Environmental Health Hazard Assessment's (OEHHA) Jan. 3, 2019 draft of *A Framework and Tool for Evaluating California's Progress in Achieving the Human Right to Water* (the "Draft Framework").

For present purposes, we limit our comments to Component 2 (Water Accessibility) and Component 3 (Water Affordability) of the Draft Framework.

We also note that, although the document is presented as a framework for evaluating the state's progress in achieving the human right to water, it is really a framework for evaluating the performance of individual community water systems at securing that right for their customers. Evaluation at the community water system level is important, as it allows for comparisons across systems that can drive state policy interventions. But it does not fully capture progress towards achieving the human right to water at the level of individuals – including both those served by community water systems and those that are not, and including both the rights to both drinking water and sanitation. Given the scope of the document, we focus our comments on the adequacy of the framework for evaluating progress at the community water system level.

<u>Accessibility</u>

The draft report proposes to assess a single metric – the type and number of water sources – to measure the physical vulnerability of the water system to inadequate supply. This approach fails to capture other readily obtainable information that has a direct bearing on a system's physical vulnerability to supply disruption. The relationship of the firm yield of the water system to

average annual demand, peak season demand, and peak day demand during both average and dry-year conditions would be a good place to start. The presence or absence of interconnections and the presence or absence of treated water storage are also physical characteristics that could be considered as indicators. Main break frequency would also be a telling indicator of reliability and threats to continuous access. Most notably, the information now regularly provided by urban water suppliers in annual water loss audits required under SB 555 should be examined. High levels of real losses (leakage) are indicative of deteriorating underground assets, while high levels of apparent losses (meter under-registration) result in lost revenue that might otherwise be available for system maintenance and replacement.

Affordability

While there are no universally agreed-upon metrics or thresholds for water affordability, the report recognizes the importance of evaluating water costs as a share of household income for low-income households, rather than focusing exclusively on costs as a share of median household income. The report also recognizes that affordability should be measured based on the cost of a volume of water intended to meet basic indoor domestic water needs, rather than including outdoor, discretionary water demand. These basic principles provide a strong foundation for developing affordability metrics.

We commend the report for identifying many of the limitations of the metrics it contains, and for identifying in Appendix A potential future indicators that could be developed to address some of these limitations. We agree with OEHHA that further research and data collection is needed to fully characterize the extent of affordability challenges at both the household and water system scale. We call on the state to commit resources to filling those data and research gaps.

We offer the following, specific comments regarding certain limitations of the framework:

- Renters: The Draft Framework notes that the proposed indicators do not capture affordability issues faced by renters. But metrics concerning renters are not included on the list of potential future indicators in the Appendix A. This should be added to Appendix A, and the agency should prioritize research on developing indicators for renters, particularly since they comprise a large percentage of the low-income population served by community water systems. (Notably, the Water Board's draft AB 401 report recommends a low-income water affordability program that would provide assistance to both homeowners and renters. The Draft Framework should be designed to help measure the success of such a program.)
- Inefficient and leaky plumbing in low-income housing: The framework should acknowledge that many low-income households are likely using more water than necessary to meet basic indoor water needs due to inefficient fixtures and leaky plumbing, which is more common in the older housing stock that is disproportionately occupied by low-income households. In rental housing, tenants typically are not authorized to repair or replace the existing plumbing. A more robust set of metrics should account not only for the cost of a basic level of water usage relative to low-income households' ability to pay for that volume of water, but also for the ability of low-income

households to achieve those water-efficient rates of usage. Inefficient usage, in practice, can mean unaffordable water costs, even if a hypothetical bill corresponding to essential levels of usage would be affordable.

- Accounting for household size: Similar to the preceding point, even when the cost of a standardized, basic level of water usage may be affordable for a particular household, that standardized volume may be insufficient to meet essential needs because of the number of people living in the household. A more robust framework should account for this variable, in order to measure the affordability of water for larger-than-average households.

- Adequacy of state and/or low-income assistance programs: As the Draft Framework notes, under AB 401, the State Water Resources Control Board has developed a proposal for a statewide Low Income Water Rate Assistance Program. To a limited extent, some individual utilities also have their own low-income assistance programs. And the California Public Utilities Commission has an open rulemaking proceeding to consider improvements to low-income assistance programs operated by CPUC-regulated utilities, specifically. The Draft Framework should include indicators that measure the success of these efforts. In other words, if the cost of an essential volume of water is not affordable to low-income households served by a particular water system, do those households have access to a water affordability program sufficient to meet their level of need? And what share of households eligible for such programs are actually enrolled and receiving the benefit?

- Effects of household-level affordability on system-level affordability: The framework for affordability should also reflect the ways in which household-level affordability challenges adversely affect the affordability – and the reliability – of service for the entire population served by a water system. Experience from the energy utility sector demonstrates that the affordability of utility service for low-income customers can affect the financial stability of the utility itself. If low-income customers receive unaffordable bills that they do not pay, rather than affordable bills that they pay, a utility must absorb increased collection costs and can see a decrease in net revenues – which must ultimately be recouped through future rate increases.[1] Accordingly, metrics such as the amount of arrears or uncollectible bills on a utility's ledger sheet can be an important indicator of both household-level affordability and system-level affordability.

Other

Finally, we offer the following comment that applies generally to the entire Draft Framework:

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1 For further discussion of this point, see, for example, the recommendations entitled "State Legislative Steps to Implement the Human Right to Water in California," which were prepared by Roger Colton and submitted by the Unitarian Universalist Service Committee in March 2015. http://www.detroitmindsdying.org/wp-content/uploads/2015/11/2015-colton-cali.pdf

- Future risks and vulnerability: The metrics are largely framed as "snapshots" in time, albeit with consideration in some instances of past years' data. But, to protect the human right to water, the state must also grapple with the sustainability of systems going forward – e.g., does a community water system have an effective asset management plan, capital investment program, and sustainable financial approach to generate revenue sufficient to meet anticipated operating and capital costs to allow the system to provide the necessary level of service into the future. The state should develop metrics to address these critical factors.

Thank you for your attention to these comments.

Respectfully submitted,

Edward R. Osann
Senior Policy Analyst

Lawrence Levine
Senior Attorney